

INCOMII. TELEGRAM

Department of State

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Control: 1274

Rec'd: FEBRUARY 2, 1961
11:45 a.m.

Info

FROM: USARMA DJAKARTA

SS

TO: Secretary of State

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SP

NO: CX-25,010301Z, FEBRUARY (ARMY MESSAGE)

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SENT DA ACSI, REPEATED INFORMATION CINCPAC, CINCUSARPAC, STATE.

REFERENCE: A. EMBTEL 2201 (CINCPAC 287). B. EMBTEL 2216 (CINCPAC 288). C. CX-21 DTG 280415Z. D. DEPTAR 989445 DTG 28016Z NOTAL. E. CX-17 DTG 250131Z. F. CX-15 DTG 240331Z.

THIS MSG IN TWO PARTS.

PART ONE.

MORNING 30 JAN LTCCL BARKAH VISITED OARMA FOR PRIMARY PURPOSE INQUIRE ABOUT APPARENT RUMORS TO EFFECT US HAVING DOUBTS ABOUT NASUTIONS ANTI-COMMUNIST POSTURE AS RESULT MOSCOW TRIP. ARMA ASSURED BARKAH HE KNEW OF NO SUCH DOUBTS CONCERNING NASUTION. COMMENT: SAME MORNING FOREIGN MINISTER SUBANDRIO SUMMONED CHARGE IN ABSENCE AMBASSADOR TO EXPAND ON CONVERSATION BETWEEN SUBANDRIO AND AMB REPORT REF A DURING WHICH AMB REPORT-EDLY COMMENTED TO EFFECT FEELING AMONG MANY IN US THAT GOI ABANDONING ACTIVE AND INDEPENDENT FOREIGN POLICY AND COMING MORE UNDER INFLUENCE USSR. CHARGES CONFERENCE REPORTED IN REF B. POSSIBLE BARKAH'S QUERY BASED ON ABOVE MENTIONED AMBASSADORS REMARK WHICH MISINTERPRETED TO BE FEELING IN US OFFICIAL GOVT CIRCLES.

PART TWO.

REF MOSCOW ARMS MISSION, BARKAH STATED THERE NO LIST OF ARMY EQUIP IN INDONESIA CONNECTED WITH AGREEMENT BUT AGREEMENT EXPECTED VIA POUCH SOON. SOURCE STATED NASUTION DID NOT SIT IN

ON DETAILED

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511.08/2-161 CJ

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By GPO NARA Date 8/4/00

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-2- CX-25, 010301Z, FEBRUARY (ARMY MESSAGE), FROM USARMA
DJAKARTA.

ON DETAILED DISCUSSIONS OF EQUIP INVOLVED, BUT LEFT DISCUSSIONS
TO SUBORDINATES. BARKAH STATED AGREEMENT ONLY IN GENERAL TERMS
AND DOES NOT INCLUDE SPECIFIC ITEMS ARMY EQUIP. MOSCOW ASSIS-
TANT INDO ATTACHE RECENTLY IN DJAKARTA FOR CONSULTATIONS ON
THIS SUBJECT AND LIST STILL BEING PREPARED. SOURCE STATED
THAT BEFORE MISSIONS DEPARTURE TO MOSCOW INDO ARMY CONTACTS
WITH USSR ATTACHES IN DJAKARTA WERE INFORMED BY ATTACHES THEY
NOT INVOLVED IN EQUIP TO BE OFFERED BECAUSE ENTIRE SALE WAS
POLITICAL AND NOT MILITARY MATTER. ARMY STAFF REPORTEDLY
DISCUSSING USSR OFFER OF SENDING TECHNICIANS TO INDO TO ASSIST
IN RECEIPT EQUIP WITH STAFF RECOMMENDING TO NASUTION THAT IT
PREFERABLE FOR INDO ARMY PERSONNEL GO MOSCOW FOR TRAINING AND
ORIENTATION RATHER THAN ACCEPTING TECHNICIANS IN INDO TO WORK
WITH ARMY. SOURCE CONSIDERS IT POSSIBILITY THAT EVENTUALLY
USSR MAAG GROUP COULD COME TO INDO ALTHOUGH KNOWING FROM EX-
PERIENCE WITH ASIAN GAMES TECHNICIANS THAT THEY INVOLVED
ACTIVITIES OTHER THAN PRIMARY MISSION. COMMENT: BARKAH'S
COMMENTS AT THIS MEETING TEND TO CONTRADICT STATEMENTS RE-
PORTED REF E WHERE ARTILLERY, GUIDED MISSILES AND AIRBORNE
EQUIP MENTIONED. HOWEVER, INFO FROM VARIETY OARMA SOURCES
WHO SHOULD KNOW INDICATED DETAILED ITEMS EQUIP STILL BEING
NEGOTIATED AT WORKING GROUP LEVEL BASED UPON AVAIL WITHIN
USSR AND MAY ACCOUNT FOR REPEATED JANI STATEMENTS THAT ONLY
ENGINEER EQUIP OBTAINED. IT POSSIBLE ENGINEER PORTION LIST
ALREADY AGREED TO. WILL CONTINUE GIVE PRIORITY THIS REPORTING.

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34-W

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Control:

8153

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Rec'd:

FEBRUARY 14, 1961

5:20 AM

Info

FROM: DJAKARTA

SS

TO: Secretary of State

G

NO: 2352, FEBRUARY 13, 6 PM

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SENT DEPARTMENT 2352, CINCPAC 305

CINCPAC FOR POLAD

FOR SECRETARY FROM AMBASSADOR

EMBTel 2164

DURING CONVERSATION WITH ME TODAY, FOREIGN MINISTER SUBANDRIO SAID THAT WHILE HE COULD NOT RAISE MATTER OFFICIALLY HE HOPED US WOULD BE ABLE TO ARRANGE FOR AN INFORMAL INVITATION FOR PRESIDENT SUKARNO TO SEE PRESIDENT KENNEDY DURING SUKARNO'S STAY IN US. PRESIDENT, HE SAID, HAD SET ASIDE TWO DAYS FOR HIS US VISIT IN THE HOPE THAT MEETING COULD BE WORKED OUT. TENTATIVE DATES ARE APRIL 24-25.

THIS INCREASES URGENCY OF ACTION ON MY EARLIER RECOMMENDATION EMBODIES REFERENCE TELEGRAM. I DEEM IT OF UTMOST IMPORTANCE TO ESTABLISHMENT TRULY SATISFACTORY RELATIONS AND ACCOMPLISHMENT OF OUR OBJECTIVES HERE FOR ME TO BE ABLE TO EXTEND CORDIAL INVITATION FROM PRESIDENT KENNEDY TO PRESIDENT SUKARNO TO PAY INFORMAL VISIT TO WHITE HOUSE WHILE HE IS IN US. AT THIS POINT, THERE IS NOTHING WE COULD POSSIBLY DO IN ANY FIELD THAT WOULD MEAN AS MUCH AS THIS GESTURE. THIS MAY SOUND LIKE HYPERBOLE BUT I ASSURE YOU IT IS NOT. SUKARNO FEELS HE HAS BEEN PERSONALLY SNUBBED BY PREVIOUS ADMINISTRATION. A WARM PERSONAL APPROACH IS NEEDED TO BRING HIM AROUND. AND TIME IS OF THE ESSENCE IF RELUCTANCE IS NOT TO BE SUSPECTED.

SUBANDRIO REVEALED SOMETHING TODAY OF WHICH I WAS NOT PREV-

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		W. H. C. Sullivan	2/24/61	File

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611.98/2-1361

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Authority NND 949570
By GPO NARA Date 8/4/00

CONFIDENTIAL

--2- 2352, FEBRUARY 13, 6 PM, FROM DJAKARTA

IOUSLY AWARE. HE SAID SUKARNO HAD BEEN CONSIDERABLY UPSET BY HIS BRIEF RECEPTION AT WHITE HOUSE LAST OCTOBER BECAUSE, AFTER HE HAD POSTPONED HIS TRIP TO PARIS IN ORDER TO HAVE A FEW MINUTES WITH PRESIDENT EISENHOWER, HE HAD TO WAIT IN AN ANTI-ROOM FOR TEN MINUTES BEFORE THE PRESIDENT WAS READY TO RECEIVE HIM. THIS WAS NOT ONLY GALLING TO SENSITIVE SUKARNO BUT CONTRASTED WITH EBULLIENT KHRUSHCHEV'S PRACTICE OF MAKING VISITING HEAD OF STATE FEEL HE IS ONLY IMPORTANT STAR ON HORIZON.

I THEREFORE STRONGLY URGE THAT PRESIDENT INVITE SUKARNO TO WASHINGTON SOME TIME LAST WEEK IN APRIL.

WHILE ON SUBJECT OF VISITS, YOUR PLAN TO VISIT BANGKOK END MARCH IS REPORTED BY AP. IT WOULD HELP US IMMEASURABLY IF YOU COULD MAKE BRIEF STOP IN DJAKARTA TO CALL ON SUKARNO, MEET OTHER HIGH OFFICIALS, OBTAIN ESTIMATE OF WORLD TRENDS AND OUTLINE OF FUTURE INTENTIONS INDONESIA.

JONES

HMR/RJT

NOTE: Distribution requirements per Mr. Dunigan, SS.

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Authority NND 949570
By GA NARA Date 8/4/00

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1270

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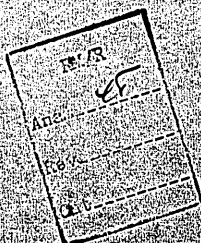
Your 2348 and 2352.

AMBASSADOR FROM SECRETARY

Appreciate your advice re stop-over Djakarta in connection SEATO conference. However, much as I would profit from even brief Djakarta visit, tight travel schedule now planned will not permit it.

In your discretion, would you convey my personal greetings to Subandrio and tell him that, much as I would like to stop in Djakarta, it is not possible now. You may wish mention that I do look forward to seeing him later, possibly in Washington.

Your excellent assessment (Embtels 2154 and 2164) of the general picture was most timely and useful.



DRusk
(cc)
RUSK

611.98/2-1361

Drafted by:

FE:SPA:RS:ind:st:lrj 2/15/61

Telegraphic transmission and

classification approved by:

Dean Rusk

Clearance:

SPA - Mr. Belmont

FE - Mr. Parsons

U/PR

Mr. Conger

S/S - Mr. Stoen

Mr. Stoen

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By

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8/4/00

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INCOMING TELEGRAM

Department of State

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34 W
ActionCONFIDENTIAL
ClassificationControl: 10696
Rec'd: February 17, 1961
7:52 a.m.FE
Info

FROM: Djakarta

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TO: Secretary of State

NO: 2372, February 17, 8 A.M.

PRIORITY

SENT DEPARTMENT 2372, CINCPAC 307.

CINCPAC FOR POLAD

EMBTel 2352.

RMR

Indos stepping up pressure to bring about meeting with President Kennedy, President Sukarno as part of world trip of President Sukarno in April. Ichsan, President Chief de Cabinet who arranging trip with PANAM, told local PANAM manager President would see President Kennedy in Washington on April 23. PANAM manager advising his headquarters opportunity for Sukarno to see Kennedy would have important benefits for company in Indonesia. On same day Ambassador Designate Kain told me that in his opinion rapprochement between Sukarno, President Kennedy at this time would be most important single factor bring about improvement in relations between our two countries. He said it was, in his opinion, of utmost importance that a meeting occur.

PANAM representative has supplied partial schedule Presidential trip on confidential basis. Depart Djakarta April 16 for Bangkok (April 16-20); to Los Angeles (April 21-23); to Washington (April 23-26); to Mexico City, Panama, Caracas, Bolivia, Chile, Ecuador, Uruguay; Rio de Janeiro (for rest); Accra (May 16-18); to Madrid, Dublin, Rome (or Vienna); Belgrade, Prague, Moscow, Kabul. Return Djakarta June 15. Aircraft will be Boeing 707; approximately 40 passengers. Based on previous experience, this schedule subject to change.

Comment

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By GPO NARA Date 8/4/00

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-2- 2372, February 17, 8 A.M. from Djakarta

Comment: I assume President Kennedy will want to respond to obvious Sukarno overtures. Recognizing the manifold pressures on White House these days, I nevertheless feel compelled to urge point that sooner I can be authorized to extend invitation the more mileage we will make.

In view of strong push being made by GOI, failure to arrange invitation for Sukarno to visit White House would, of course, be regarded as open snub.

JONES

JAK:MA-6

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Authority NND 949570
By GD NARA Date 8/4/00

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Control: 11746

Rec'd: February 19, 1961
2:19 A.M.

Info

FROM: Djakarta

SS

TO: Secretary of State

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NO: 2384, February 18, Noon (SECTION ONE OF TWO)

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SENT DEPARTMENT 2384; CINCPAC 310.

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Embassy telegram 2154.

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P2 (S) 5/1/61

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Name: R Date: 5/1/61

In meeting USSR challenge here in fields of economic aid technical assistance, our competition should be based on quality, rather than quantity. To so compete we must have greater flexibility as proposed in items three and four of the program recommended in REFTEL.

While we cannot and should not match open-handed largesse of Soviet Bloc in Indonesia, there nevertheless are open to us several ways in which we can effectively compete in economic field. Success, however, depends upon drastic overhaul of our procedures as well as our general approach to problem of aid for newly developing countries.

There are three major defects in our present system. One is unconscionable delay which occurs between conception of need on part of Indonesians and realization of our help. Second is our insistence on a project-by-project approach to economic development in contrast to Soviet willingness to open up line of credit to be utilized by Indonesians in whatever way they see best. Third is our application of unilateral criteria in evaluating project proposals.

These defects are interrelated and could be cured in large part by the same medicine -- greater authority for the Director of USOM Mission and Ambassador to make decisions. There are other steps which would have to be taken to make our assistance programs as attractive to GOI as those of

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-2- 2384, February 18, Noon (SECTION ONE OF TWO) from Djakarta

Soviet Bloc, but greater autonomy is of first importance.

Socialism is chosen vehicle by which GOI intends to achieve development. This of course involves state planning which can best be accomplished through lump sum credits spread over period of years, which logical, approved method for Communist Bloc. We, on other hand, rightly contend that project-by-project approach sounder from our point of view. Yet fact remains we having increasing difficulty accommodating our approach to socialist planning requirements of Indonesians. Already they have virtually given up hope our being any help in eight year development plan, and field rapidly being preempted by Soviets.

While it may be argued that this is so much better since US relieved of financial burden, it is at same time obvious this ideal way to foster closer partnership between Indonesians, Soviets with consequent strengthening Communist party internally.

We should be in position, when GOI comes to us to support designated sector of eight-year-plan with lump sum, to do so, thereafter providing engineering and contract services to assist in working up projects to be financed by over-all credit. Indonesians point out extreme difficulty of integrating our present project-by-project aid into systematic planning, since we can provide no advance assurance any given project would win approval; nor is there any way of knowing when such approval might be forthcoming to enable them to tie in one project with completion of another.

What we need to compete with Soviet Bloc is power locally to make commitments against an agreed ceiling for assistance in projects which may not be instituted for some years in future. I recognize that ordinarily such procedures might be regarded as unsound, but ordinary conditions do not prevail. We are in midst of political warfare over high stakes, and we must resort to methods that will win.

Until recently, when we had virtual monopoly of economic aid efforts, our system was good enough for its purpose, but it

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-3- 2384, February 18, Noon (SECTION ONE OF TWO) from Djakarta

has been shown to be woefully inadequate in face of determined competition. For example, I note in sad frustration our not-yet started fertilizer project which was initiated five years ago, and that average time to obtain definite green light for any capital project has been at least two years.

JONES

LSA

PC- Copy No. 1 "B" to Mr. Chester 4/24/61-MKB.

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Control: 11744

Rec'd: February 9, 1961
2:14 A.M.

FE

Info

FROM: Djakarta

SS

TO: Secretary of State

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NO: 2384, February 18, Noon (SECTION TWO OF TWO)

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SENT DEPARTMENT 2384; CINCPAC 310

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On other hand Russians start with quick agreement on total credit at government level. Then project-by-project, Soviets bring in experts to guide Indonesians in planning as well as implementing of projects. Once laid on these projects get priority use local funds, materials and skills.

Meanwhile, without prior assurance of funding, we must await GOI approach for project aid. Inevitably Indonesian presentations of exhaustive applications required by our lending agencies are jockeyed from one to another, usually found woefully inadequate, are rejected or returned for compliance. Net effect on Indonesians, apart from growing sense paralysis in trying meet our requirements, is conviction we are insensitive to their problems. At moment there are no Indonesian applications for substantial US loans at time when books are being filled with Bloc projects ranging from multi-purpose hydro projects to steel mills, chemicals, textiles, et cetera.

Apart from our general approach and our delays, we must suppress our inclination to assess projects mainly on basis of our own preconceptions of economic soundness. Rather, main criterion should be importance of project in eyes Indonesian leaders. For example, we could not consider Asian games sound project in economic terms. However, in Sukarno's "guided" Indonesia such projects are of vital importance and are given top priority support in materials, manpower and publicity. In political warfare we must accept reality that circuses may be more vital than bread.

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-2- 2384, February 18, Noon (SECTION TWO OF TWO) from Djakarta

I would make also several specific recommendations for procedural changes, although these probably could not be successfully undertaken until more fundamental problems have been dealt with.

For one thing we should change our cumbersome annual basis for funding technical assistance projects to a no-year basis to restore confidence of GOI in our intention to follow through on what we start. Greater latitude should be given in shifting emphasis of planned technical assistance program from one area to another as circumstances change, and there should be more local discretion in committing US to special projects when circumstances urgently require. Greater freedom of action in choosing individuals for US training is also needed.

In capital assistance field, I hope means can be found to channel all US financing through single US Agency. Present confusions arising from existence of multiple agencies might best be met by centralizing capital projects in DLF or similar organization with latitude deal with projects in light primarily political objectives. Indeed, I would be inclined to go even farther and favor a single agency to handle all economic aid, capital as well as technical assistance, including both loans and grants.

JONES

LSA

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By CP NARA Date 8/4/00

W I T H D R A W A L N O T I C E

RG: 059

TAB #: 7

ENTRY: CDF60-63

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TEL 2426

FR DJAKARTA

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